

**Budget Message**  
**Catawba County Social Services**  
**FY 2006-2007**

With change comes opportunity, with opportunity comes possibilities. Fiscal Year 2006-2007 will be a year shaped by the every changing landscape of Federal and State governments. As policy is written, clarified, and rewritten the Agency will encounter many new opportunities as we focus on the strategic creativity of staff and management. Whether the focus is on strengthening families through a merging of Social and Medical models, creating self sufficiency through Work First and supporting efforts, or insuring the safety of the community's most vulnerable populations, this fiscal year will be an innovative approach to community needs.

FY 2006-2007 is expected to be one of the more challenging Fiscal Years (FY) of the past decade. Marking the landscape will be a Federal philosophy shift, from domestic programs to defense, while State policy around Mental Health Reform is finally realized through the implementation of new service definitions. These two items will steer the Agency for the next several years, and force us to increasing rely on its Reinventing philosophy to insure citizen's needs are met and provide adequate funding levels for all programs.

Continuing our efforts from the current FY, the Agency is keenly focused on the Board's initiative of Leading by Results. Missions, Visions, and Goals solidify the Agency's focus on an outcomes based and results oriented budget while maintaining the established Board goals of:

- Vulnerable children are in safe, nurturing, financially stable environments.
- Citizens will become or remain economically independent.
- Frail elderly and disabled are safe and have opportunities to remain in their home.
- Citizens will be knowledgeable of and satisfied with Social Services.
- Social Services will operate with the highest standards of effectiveness and efficiency.
- Children and families will have access to nurturing, education, support and treatment services to maximize family functioning.

FY 2006-2007 challenges will be both financial and programmatic, as changes at the Federal and State level will cause change in the existing Social Services structure. With the passage of the Deficit Reduction Act of 2006, the two primary areas to be effected will be Child Welfare and Public Assistance. First, Kinship Foster Care will need to go through a major restructuring, as funding will be tied to licensure. In the past, many of these caretakers have elected not to become licensed. However, the change in legislation has now tied funding to the licensure process. Failure to transition the majority of these caretakers to a "licensed placement " could cost the Agency upwards of \$100,000 in funding. Similarly, changes in the Work First employment mandates and a "formula" change in how the Federal Government calculates the state's bonus may cost us in excess of \$80,000 in funding, while a looming Child Support change in FY 2007-2008 may cost more than \$235,000.

On another front, the State of North Carolina has finally moved on its efforts to reform Mental Health. With implementation dates of July 1 and October 1 of 2006 for services, the Agency has an improved understanding of how Family NET must be structured to maximize funding for services to the community. Along with our continued partnership with the Local Management Entity, (LME) and their pending consolidation, the New Year will be a most challenging environment for Mental Health.

Furthermore, staff is working to continue with the self-sufficiency investment. A marked improvement in the unemployment numbers over the last year led to only partial relief, as underemployment plagues many citizens. In fact a recent survey from a Wachovia Bank economist shows that Catawba County's average income per worker decreased over the last 3 years. To support citizens in their employment efforts, the Agency insures the coordination of day care, transportation, nutrition, counseling, child support, and medical coverage. These support services are key to both the employee and the employer.

The senior population continues to grow at an escalating pace, increasing the need for home and community based services. The Agency's aim is to assist seniors in remaining in their own homes by coordinating home and community based services. In fact, for FY 2006-07 we forecast to save the County over \$1.5 million through such coordination. However, with no real increase in funding for this population in over 9 years, many of these services would not be possible without the help of over 1,000 volunteers.

As with any mass system change, preparation of a viable business plan will be vital to insuring long-term success. Responding to these changes and aligning our efforts while maintaining strategic focus, is never an easy task. To insure the Agency remains committed to the core values and goals, we have created 30 outcomes. A sample is listed below:

- Avoid \$1.5 million in Medicaid expenditures through The Community Alternatives Program
- Cause 130 citizens to become employed and insure 94% of Work First Participants remain off assistance for one year
- Provide quality Day Care for 1750 (monthly average) citizens to support employment.
- Realize a Child Support collection rate 8% higher than the state average.
- Improve well being by 15% in 85% of children receiving at least 3 sessions of therapy.
- Prevent repeat maltreatment within six months in 94% of families...
- Place 70% of children who enter Agency custody in a permanent loving home within 24 months.

The total 2006-07 budget is \$189,912,681. The total county share is \$16,473,273 of which \$6,227,680 represents funding for Non-Mandated Services. Mandated Services are projected to increase by 4.5%, or \$437,306 from FY 2005-06 to FY 2006-07. Medicaid accounts for \$300,000 of this increase. Catawba County's percentage of the total budget continues to decrease, as only 8.67% is county funding for 2006-07 compared to 8.84% in 2005-06.

Overall, the 2006-07 budget includes the following increases: 4.5% (maximum) for salaries, 5% for health insurance, 5% for dental insurance, and 1% for operations with an additional 1% for fuel related items. The county share allocation was increased by \$133,809. This represents a 2.2% increase over current levels. With the use of surplus, the budget is balanced and the overall mission remains unchanged: Social Services will continue to provide quality services to the citizens of Catawba County in a customer focused, efficient, and effective manner.